Filed for intro on 02/15/95 House Bill_____ By

Senate No. SB1481 By Atchley

AN ACT to amend Tennessee Code Annotated, Title 12, Chapter 10, relative to authorizing certain contracts between public building authorities and municipal corporations and to provide for accounts and purchases.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section, 12-10-103, is amended by changing the semi colon ";" at the end of subdivision (9) to a period and by adding the following to the end thereto:

"Project" includes an undertaking whereby a municipal corporation contracts with an authority respecting construction of improvements upon and/or for the operation and maintenance of property owned by or leased by other than the authority to the municipal corporation. Provided, the authority may not borrow money or issue bonds with respect thereto unless the authority has a freehold or leasehold interest in the real estate;

SECTION 2. Tennessee Code Annotated, Section 12-10-103, is amended by adding the following as a new item to be appropriately designated:

() "Operating contract' shall mean the written undertaking whereby the authority and a municipal corporation contract for respecting construction of improvements upon and/or for the operation and maintenance of property owned by or leased by other than the authority to the municipal corporation;

SECTION 3. Tennessee Code Annotated, Section 12-10-109, is amended by deleting the word "and" at the end of subdivision (17), by deleting the punctuation"." at the end of subdivision (18), by substituting instead a ";" and by adding the following new subdivision thereto:

(19) Enter into contracts with a municipal corporation respecting construction of improvements upon and/or operation and maintenance of any property owned by or leased by other than the authority to the municipal corporation. Such contracts shall specify the extent and nature of the services to be rendered by the authority.

SECTION 4. Tennessee Code Annotated, Section 12-10-115, is amended by deleting the language "lease, loan agreement or sales contract" where such language appears and by substituting instead the language:

lease, loan agreement, sales contract or operating contract

SECTION 5. Tennessee Code Annotated, Title 12, Chapter 10, is amended by adding the following as a new section to be appropriately designated:

Section _____.(a) An authority which operates or maintains more than one (1) project may maintain a common account or accounts and buy supplies and services in common, provided that expenditures periodically shall be allocated to each project on an appropriate basis.

(b) An authority in the operation, maintenance, and routine repairs of a project may purchase goods, supplies and services which are generally sold to the public by advertised price without the necessity of competitive bidding, provided no purchase shall

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exceed five thousand dollars (\$5,000.00) or any larger limit as shall be allowed for such purchases under the regulations of a municipal corporation with which the authority has contracted. (c) An authority may contract for services by public invitation for proposals. Such contracts may be for a period of three (3) years. Professional services on "at-will" basis may be contracted by an interview process. Construction contracts for design-build or for remodeling and maintenance may be by public invitation for proposals as well as by competitive bid.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

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